



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 3, 2002

H.R. 169 **Notification and Federal Employee Antidiscrimination and** **Retaliation Act of 2002**

*As ordered reported by the Senate Committee on Governmental Affairs
on March 21, 2002*

H.R. 169 would require federal agencies to provide training to employees that notifies them of their employment rights and responsibilities in an attempt to reduce incidents of discrimination and retaliation in the federal government. Subject to the availability of appropriated funds, CBO estimates that implementing H.R. 169 would cost up to \$5 million a year. Enactment could cause an insignificant increase in offsetting receipts (a form of direct spending), so pay-as-you-go procedures would apply. H.R. 169 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

Under current law, court-ordered monetary settlements in favor of employees who sue federal agencies in discrimination or reprisal complaints are paid from the judgment fund of the Treasury. H.R. 169 would require agencies to reimburse the Treasury for any such payments. Payments by most agencies to the Treasury would be intragovernmental transfers and would have no net effect on the federal budget. However, agencies that are not funded through annual appropriations, such as the Bonneville Power Administration and the Tennessee Valley Authority, would reimburse the Treasury by increasing collections from the private sector. This could result in a small net decrease in direct spending, so pay-as-you-go procedures would apply; but CBO estimates that any such decreases in direct spending would be less than \$500,000 a year.

The act also would require agencies to notify and train employees about their rights and protections under discrimination law and to prepare annual statistical summaries of the discrimination actions and equal employment opportunity (EEO) complaints they face. H.R. 169 would direct the Administration to conduct a study to determine the best ways to discipline employees who engage in discriminatory actions. The act also would require the Equal Employment Opportunity Commission (EEOC) to post on its Internet web site certain statistics regarding EEO complaints. Finally, the legislation would direct the General

Accounting Office (GAO) to prepare a report on the effects of eliminating the current requirement that federal employees exhaust administrative remedies before filing complaints with the EEOC, as well as, a study regarding costs to the Department of Justice of defending whistleblower and discrimination cases.

CBO estimates that it would cost the EEOC up to \$500,000 in each fiscal year to collect and post on its Internet web site the statistics relating to EEO complaints. Based on information from GAO, CBO estimates that it would cost that agency about \$300,000 in 2003 to prepare the reports required by the legislation. We estimate that it would cost about \$150,000 in fiscal year 2003 for the Administration, probably led by the Office of Personnel Management (OPM), to complete the study mandated by H.R. 169.

CBO expects that most agencies would meet the act's requirements to provide notification and training to employees through their Internet web sites and would not incur significant costs to do so. We expect that the cost to prepare annual reports and statistical summaries for discrimination and EEO cases would be minimal because much of this information is already maintained, according to OPM and GAO. CBO estimates that the total costs for the 100 or so federal agencies to comply with the act's requirements would be no more than about \$5 million annually.

On June 8, 2001, CBO prepared a cost estimate for H.R. 169, as ordered reported by the House Committee on the Judiciary on May 23, 2001. The two versions of legislation are similar, and their estimated costs are the same.

The CBO staff contact for this estimate is Matthew Pickford. The estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.